

# Chapter 1

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### Overview

## Accounts Payable Subsystem

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# Overview

## Accounts Payable Subsystem

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### **About this Chapter . . .**

This chapter introduces you to terms and ideas that are discussed throughout the IFMS Accounts Payable Subsystem volume. This subsystem is used to record and schedule expenditures for payment. Subjects discussed include:

- # Introduction to the Accounts Payable Subsystem
- # Introduction to Accounts Payable Transactions
- # Accounts Payable Processing
- # General Information about the Accounts Payable Subsystem
- # Accounts Payable Offline Processing

This documentation is current as of the 5.1E7 subrelease.

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## Introduction

IFMS is divided into multiple subsystems. The Accounts Payable Subsystem is one of these. This volume of the *IFMS User's Guide* provides information on the Accounts Payable Subsystem. It covers only a portion of the budgetary spending chains, the expenditure of funds for obligations. Commitments and obligations of funds for items other than labor and travel are not part of the Accounts Payable Subsystem. They are recorded in the Purchasing Subsystem of the *IFMS User's Guide*.

In this volume of the *IFMS User's Guide* we will explain and describe the flow of information through the IFMS Accounts Payable Subsystem, the processing of transactions and how this information relates to the rest of IFMS through tables. A data entry tutorial for system users is provided, as well as a description of the available reports for this subsystem. In addition, we have included an appendix containing:

- (a) Glossary of Terms
- (b) Acronym Conversion Chart

### ? **Note**

The Accounts Payable Subsystem shares many concepts with the Purchasing and the Automated Disbursements Subsystems. If you read something that is unfamiliar to you, please refer to the Purchasing and the Automated Disbursements Subsystem volumes of the *IFMS User's Guide*.

Travel payments are discussed in the Travel Subsystem of the *IFMS User's Guide*.

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## Subsystem Transactions

IFMS uses one type of transaction in the Accounts Payable Subsystem, an **expenditure**. Expenditures are payments for goods and services that result in an actual outlay of cash. They may occur before, after, or simultaneously with the disbursement of funds.

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## Recording Expenditures on Transactions

There is only one type of transaction recorded in the Accounts Payable Subsystem, the disbursement. However, there are differing transaction codes for differing types of payments. In order to understand and properly record various transactions, Exhibit 1 lists the expenditure transaction codes used in IFMS.

### *Accounts Payable Transactions*

Accounts Payable Transaction	Transaction Code	What the Transaction Records
Contract Disbursement	CD	Expenditures for contract payments; CDs are generated automatically through the Contract Payment System Interface
Direct Disbursement Order	DD	Payments made outside of the automated disbursement process and outside of the manual schedule process
Direct Payment	DP	Expenditures for goods and services where no prior obligation is necessary
Grant Payment	GP	Payments to Grantees
Imprest Fund Reimbursement	IF	Imprest fund reimbursement transactions
Interagency Agreement	IG	Expenditures and other financial transactions between agencies
Payment Voucher	PV	Payments to Vendors

### *Exhibit 1*

As you can see from Exhibit 1, you use different transactions depending on the type of expenditure you wish to record.



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## Overview of the Processing Cycle

In IFMS, purchasing chains originate in the Purchasing Subsystem when you order an item or a service using a Requisition (RQ) or an order (CO, CG, GO, or MO), and continue in the Accounts Payable Subsystem when you record the payment for what you previously ordered. After you record the payment, the Automated Disbursements Subsystem uses information about the payment to disburse funds to the item's supplier. Exhibit 2 shows the Accounts Payable processing chain.

### *The Accounts Payable Chain*

**Commitment ==> Obligation ==> Expenditure ==> Disbursement**

### *Exhibit 2*

Exhibit 3 shows some of the most common Accounts Payable processing chains. Each expenditure is listed by transaction code and transaction type.

***IFMS Accounts Payable Chains***

<b>Commitment</b>	<b>====&gt; Obligation</b>	<b>====&gt; CD 01 Contract Disbursement</b>
<b>Commitment Disbursement</b>	<b>====&gt; Obligation</b>	<b>====&gt; DD 01 Direct</b>
<b>Commitment</b>	<b>====&gt; Obligation</b>	<b>====&gt; IF 01 Imprest Fund</b>
<b>Commitment Agreement</b>	<b>====&gt; Obligation</b>	<b>====&gt; IG 01 Interagency</b>
<b>Commitment</b>	<b>====&gt; Obligation</b>	<b>====&gt; GP 01 Grant Payment</b>
<b>Commitment</b>	<b>====&gt; ====&gt;</b>	<b>====&gt; DP 01 Direct Payment</b>

***Exhibit 3***

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## General Information About the Subsystem

The following information describes issues and features of the Accounts Payable Subsystem.

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## Linking Transactions Together

You can link each expenditure transaction to transactions in your purchasing chain by using referencing. **Referencing** enables the system to automatically liquidate a previous accounting event. For example, on an expenditure transaction you might reference an obligation. When an expenditure references an obligation, the obligation is liquidated by IFMS. All expenditure transactions include fields for referencing a prior transaction.

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## IFMS Tables

In order to process transactions in IFMS, data entered on the Document Entry Screen must be edited against reference data stored in tables. If the data passes all of the IFMS edits, the transaction may be processed PASS2. After processing, transactions update inquiry tables. Exhibit 4 lists all tables included in the IFMS Accounts Payable Subsystem. More information on tables is presented in Chapter 3.

### *Accounts Payable Tables*

Table Name	Table ID
Default Payment Text Table	DPTX
Imprest Fund Header Table	IFHT
Imprest Fund Line Table	IFLT
Payment Voucher Header Table	PVHT
Payment Voucher Line Table	PVLT
Recurring Payment Voucher Table	REPV
Unpaid Voucher Table	UPVT
Voucher Text Table	VTXT
Document Group Header Table	ZDGH
Document Group Line Table	ZDGL
Document Group Table	ZDGT
Document Group ID Reference Table	ZDGI
Supervisory Document Group ID Reference Table	ZDGS

### *Exhibit 4*

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## Checks IFMS Performs on Accounts Payable Transactions

When you enter an Accounts Payable transaction, IFMS performs a series of checks before processing the transaction. Some of these checks are specified by system options (system options are determined by the EPA IFMS System Administrator at Headquarters). Besides normal processing checks for each Accounts Payable transaction, IFMS checks that:

- # The transaction's accounting distribution is valid
- # Any transaction referencing another transaction meets tolerance limits
- # The transaction's vendor code is correct
- # Prompt payment information is entered if necessary

Below, we describe in more detail accounting distributions, tolerance limits, and vendor codes.

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## Accounting Distribution Checks

An **Accounting distribution** is a combination of codes that:

- # Define which budget a transaction should be processed against
- # Track transactions for reporting purposes

Each Accounts Payable transaction must contain, at least, the following codes:

- # Budget Fiscal Year
- # Appropriation
- # Organization
- # Program Element
- # Object Code (BOC)

Exceptions are revenue refunds, which require a revenue source instead of a budget object code, and balance sheet transfers (e.g., advances), which require that the budget object code field and the revenue source field remain blank. Some appropriations require a Site/Project code.

**? Note**

A chart of all object classes can be found in the *IFMS User's Guide*, Overview of IFMS. This information can also be found online on the BOCT Table.

In addition, the accounting distribution for each transaction in a purchasing chain must be consistent. If you reference a transaction, the current transaction must contain at least the same accounting distribution as the referenced transaction; however, the current transaction can contain more codes than the referenced transaction. This may occur if you want to use additional codes to aid in reporting. For example, optional reporting codes, such as site/project code and reporting category can be added to an expenditure, even if these codes were not included on the referenced obligation.

**? Note**

Object Classes can be changed between referenced transactions as long as the new BOC has the same Budget BOC as the old object class. This information is located online on the BOCT Table.

---

Tolerance Limit  
Checks

In addition to budget spending controls, when a transaction is referenced and the Partial/Final (P/F) flag on the referencing transaction is **F**, tolerance limit checks will be invoked. If a transaction is within tolerance limits and budget spending controls are passed, the transaction will be accepted.

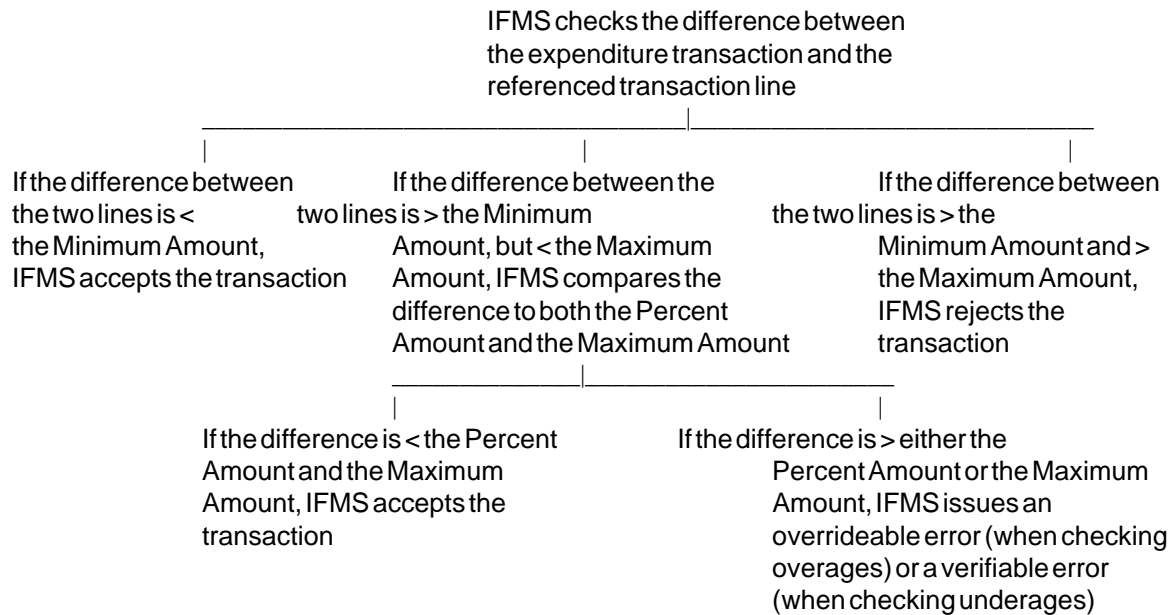
There are two types of tolerance limits: overage tolerance limits and underage tolerance limits. Each type defines the dollar difference that IFMS permits between two transactions (i.e., a transaction and the transaction that it is referencing). **Overage tolerance limits** define the maximum dollar difference for transactions on which the line amount exceeds the referenced transaction line amount.

**Underage tolerance limits** define the maximum dollar difference for transactions on which the line amount is less than the referenced transaction line amount.

Both types of tolerance limits are set on the Transaction Category Table (TCAT) as a percentage, a maximum amount, and a minimum amount. When a tolerance limit is set to zero, that line amount must equal the amount of the referenced transaction line.

Exhibit 5 shows how IFMS determines if a transaction should be accepted based on tolerance limits. This chart relates to both overage and underage tolerance limits.

***How IFMS determines if an expenditure transaction should be accepted based on tolerance limits***



***Exhibit 5***



The following example illustrates how IFMS determines if an expenditure should be processed based on tolerance limits. When reading the example, you might find it helpful to refer to Exhibit 5 on the preceding page.

- **Tolerance Limits Example**

Suppose that your tolerance settings on the TCAT look like Exhibit 6:

***Example TCAT Settings***

Overage Tolerance		Underage Tolerance	
Percent: 10%		Percent: 20%	
Max Amt: 500.00		Max Amt: 15.00	
Min Amt: 50.00		Min Amt: 5.00	

***Exhibit 6***

You enter an obligation line for \$100. Next, you enter an expenditure line referencing the obligation for \$88 with a P/F flag of **F**.

First, IFMS calculates the difference between the two lines. In this example, the difference between the two lines is \$12.

The actual expenditure is less than the obligation so the underage tolerance will be checked.

Because \$12 is greater than the minimum amount, but less than the maximum amount, IFMS compares the difference to both the underage percent amount and the maximum amount. In this case, the maximum amount is \$15, and the percent amount is \$20 (20% of \$100).

Because the difference, \$12, is less than both the maximum amount (\$15) and the percent amount (\$20), the transaction passes the tolerance limit checks.

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## Vendor Code Checks

Vendor codes define the vendor that particular goods are purchased from, and are used to maintain and track a variety of vendor information. In addition, IFMS uses the vendor code to automatically retrieve vendor information, such as name and address, into the transaction.

Vendor codes consist of up to 11 characters. The first 10 characters specify a unique code for a particular vendor. The 11th character is used to identify the mailing address for the vendor. Multiple mailing addresses can exist for a given vendor code.

Generally, EPA vendor codes are composed in the following format:

Employees	- SSN
Grant Recipients	- Employer Identification No.
Construction Grant Recipients	- Geographic Code
Vendors	- Accounting Point ID, sequential number

### Types of Vendor Codes

There are two types of vendor codes used in IFMS: regular codes and miscellaneous codes. **Regular vendor codes** specify vendors that your agency uses on a regular basis. **Miscellaneous vendor codes** are used for trial suppliers or vendors that you use only once.

Depending on the type of vendor code you specify, IFMS checks that the vendor codes on purchasing transactions and the vendor codes on payment transactions match. The checks IFMS makes on vendor codes are described below:

- # For regular vendor codes, the first 10 characters of the vendor code entered on purchasing transactions must match the vendor code entered on the payment; however, the last character of the vendor code, which specifies the address to

send checks to, can be different from purchasing transactions to payment transactions. This is because the check may be sent to an address different from where the goods were ordered.

- # For miscellaneous vendor codes, the vendor codes entered on purchasing transactions and the payment transactions do not have to match. If you entered a miscellaneous vendor code on the referenced requisition or obligation, you can enter a regular vendor code on the payment. This is because the check may be sent to a vendor already defined on the VEND table.

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## How Funds are Disbursed

EPA disburses funds through Treasury by completing an SF-1166. The SF-1166 contains payment information that Treasury needs to print checks.

In IFMS, the Automated Disbursements Subsystem, using information from payment transactions, automatically creates the appropriate disbursement information. IFMS creates the SF-1166 and the appropriate files containing information about the payments. After Automated Disbursements generates the SF-1166 and the files, they are electronically transmitted to Treasury for disbursement.

If you choose not to use the Automated Disbursements process, you can still manually record disbursement information. Please refer to the Automated Disbursements Subsystem volume of the *IFMS User's Guide* for more information.

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## Specifying Types of Treasury Disbursements

Schedule information, such as the Schedule Category and Schedule Type, is specified on the payment transaction.

- Schedule Category

The **Schedule Category** defines the payment method to use to disburse all funds on a particular payment transaction. Payment methods include having Treasury print and send checks to vendors, or having Treasury distribute funds through Electronic Funds Transfer (EFT). The following Schedule Categories are valid in IFMS.

**M      Manual SF-1166**

Specifies a manual disbursement.

**T      Tape SF-1166**

Specifies a disbursement that Treasury will print and send.

**A      Automated Clearinghouse (ACH) tape**

Specifies a disbursement that will use the ACH type of electronic funds transfer.

Exhibit 7 shows the schedule categories you can use. These Schedule Categories are defined on the previous page.

### *How IFMS Edits Schedule Categories*

EFT flag on the DOPT table	EFT flag on the VEND table	Is the payment amount less than or greater than the TFCS minimum on DOPT	Schedule Categories you can enter on the payment transaction	If you do not enter a category, IFMS defaults the category to:
N	Not Applicable	Not Applicable	T,M	T
Y	N	Not Applicable	T,M	T
Y	A	Not Applicable	A,T,M	A
Y	B	Less	A,T,M	A
Y	B	Greater or Equal	A,T,M	A

### *Exhibit 7*

#### ? **Note**

If you enter a schedule number on a payment transaction, you must enter a Schedule Category of **M** for a manual SF-1166.

#### • **Schedule Type**

The **Schedule Type** specifies the type of Treasury schedule on which a payment should be included. All payments must have a Miscellaneous Treasury Schedule (type **M**), a Transportation Treasury Schedule (type **T**), or blank. Miscellaneous Schedules are used by agencies, like EPA, that do not cut their own checks.

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## Scheduling Payments for Automated Disbursements

Payments that are to be disbursed through Automated Disbursements need to be scheduled for disbursement. IFMS automatically schedules payments when you enter the payment into the system. For instance, once you enter a payment transaction, IFMS calculates when the payment should be made to the vendor, taking into account any special contractual terms you have with the vendor concerning payment. Then the payment is warehoused, or stored, in the system until the scheduled payment date arrives. When the Automated Disbursements Subsystem selects the payment, it transfers information from the transactions onto the Treasury SF-1166.

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## The Prompt Payment Act

One important factor in determining when a transaction should be scheduled for payment is whether or not the payment is subject to the Prompt Payment Act. The **Prompt Payment Act** is a law that specifies that certain types of payments to private vendors must be paid within a specified number of days, usually 30 days, of when the EPA receives the goods or when the EPA receives the invoice from the vendor. If the payment has not been generated by the specified date, the EPA must pay the vendor interest on the funds due.

- **Defining Events Subject to Prompt Payment**

Using various system options, the EPA defines what types of vendors, transactions, and accounting events are subject to prompt payment. Exhibit 8 defines where to specify if a vendor, transaction, or accounting event is subject to prompt payment rules:

***Prompt Payment Related Tables***

<b>Reference Table</b>	<b>What the Table Defines</b>
Vendor Type Table (VTYP)	Indicates which vendors are subject to prompt payment
Transaction Category Table (TCAT)	Defines what types of transactions are subject to prompt payment
Accounting Entries Definition Table (ACED)	Indicates which accounting entries are subject to prompt payment
Prompt Payment Table (PPAY)	Stores Prompt Payment Type, multiple interest rates with effective dates and a date trigger flag
Disbursing Options Table (DOPT)	Stores the current Value of Funds rate used to determine discounts

***Exhibit 8***

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## Terms Used When Scheduling Payments

Before continuing with this volume, you may find it helpful to review the following terms used when scheduling payments.

- **Treasury Disbursing Lag Days**

The delay between when your agency sends the SF-1166 and the files to Treasury and when Treasury actually sends the payments is referred to as **Treasury Disbursing Lag Days**. Treasury Disbursing Lag Days are defined on the DOPT Table.

- **Obligation Negotiated Payment Days**

The number of days your agency negotiated with the vendor to pay the invoice for a specific obligation is referred to as **Obligation Negotiated Payment Days**. Obligation Negotiated Payment Days are defined on the payment's referenced obligation which can be found on the OBLH Table.

- **Vendor Lag Days**

The number of days your agency contracted with the vendor to routinely pay invoices are referred to as **Vendor Lag Days**. Vendor Lag Days are defined on the Vendor Table (VEND).

- **Prompt Payment Lag Days**

The number of days in which the vendor invoice should be paid according to the Prompt Payment Act are referred to as **Prompt Payment Lag Days**. Payment Lag Days are defined on the Prompt Payment Table (PPAY) by prompt pay type.



- **Trigger Date Flag**

This flag is used in determining the appropriate date that the payment should be scheduled. This date is referred to as the **Trigger Date** and is located on the PPAY Table. There are three values for this field:

**L**, used for payments subject to the standard prompt payment rules

**D**, used for payments for which prompt payment rules are based on the acceptance or delivery of goods

**I**, used for construction in progress, and payments for which prompt payment rules are based on the Invoice Log Date

- **Discount Terms**

An arrangement between the EPA and a vendor, by which the vendor offers a discount to the EPA if the EPA pays the vendor earlier than expected, is referred to as **discount terms**. In IFMS, all discounts are defined in terms of a percentage of the voucher amount or a discount amount (flat rate), to be used if the voucher is paid within a specified number of days. For example, a vendor may specify that if the EPA pays their bill in 10 days, the EPA will receive a 2% discount on the cost of goods purchased, or a vendor may specify that the EPA will receive a \$25 discount if the invoice is paid in 10 days.

Discount terms are entered on the payment transaction or the referenced obligation. You can enter up to three discount terms on each transaction; IFMS will consider up to six discount terms. Only one discount term will be selected per line. When calculating discounts, IFMS determines the most beneficial discount by using the terms in this order:

# Terms on the referenced obligation

# Terms on the payment

If the discount is appropriate, IFMS will schedule the payment to take advantage of the discount.

There are, however, situations in which the EPA should not take a discount due to cash management rules and regulations. For example, the EPA may earn more money from the interest earned on funds in the bank than from the discount percentage received by paying the bill early. In this case, the discount will not be taken; IFMS will make this determination.

If a discount is appropriate, but the current date is later than the Last Date of Discount minus the Treasury Disbursing Lag Days, then a Discount Lost Reason Code (from the DLRC table) is required on the payment transaction. If not entered, the Discount Lost Reason Code may default from the DOPT.

See the next section, The IFMS Payment Scheduling Process, or the Automated Disbursements volume of the *IFMS User's Guide* for more information on discounts.

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## The IFMS Payment Scheduling Process

If you do not enter a schedule date on a payment transaction, IFMS takes into account the prompt payment terms, negotiated payment terms, and discount terms when calculating the Scheduled Payment Date.

### ? **Note**

Each of the steps in the schedule date calculation process applies to each payment line on the payment transaction. IFMS schedules the payment transaction according to the payment line with the earliest schedule date.

If a schedule date is directly entered on a payment transaction, it is still eligible for discount. In addition, IFMS checks if the payment is subject to prompt payment. If subject to prompt payment and the entered date is more than 8 days earlier than the prompt payment date calculated by IFMS, you must enter a code (Y or N) in the Agency Head Approval field on the payment transaction. This field indicates whether or not approval is required for this payment to be made more than 8 days earlier than the prompt payment date calculated by IFMS.

If a schedule date is entered, discounts may be taken. The transaction will be disbursed on the entered schedule date, but if the discount date is after the schedule date, the discount date will be adhered to so that a discount may be taken.

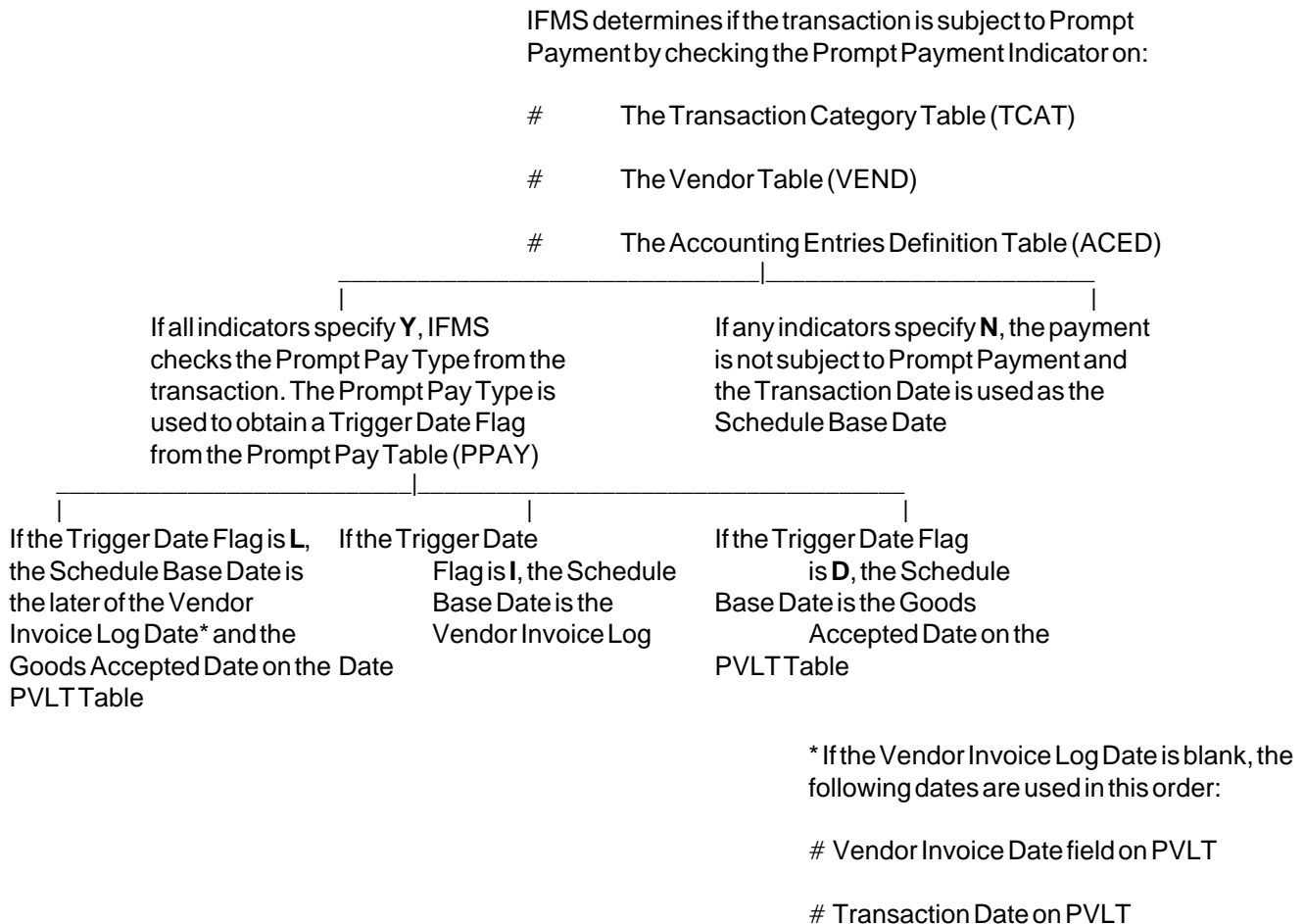
Exhibits 9 through 12 describe the following aspects of the scheduling routine in greater detail:

- # Determining if the transaction is subject to prompt payment and setting the Schedule Base Date

# Calculating the Schedule Date

# Rescheduling for discounts

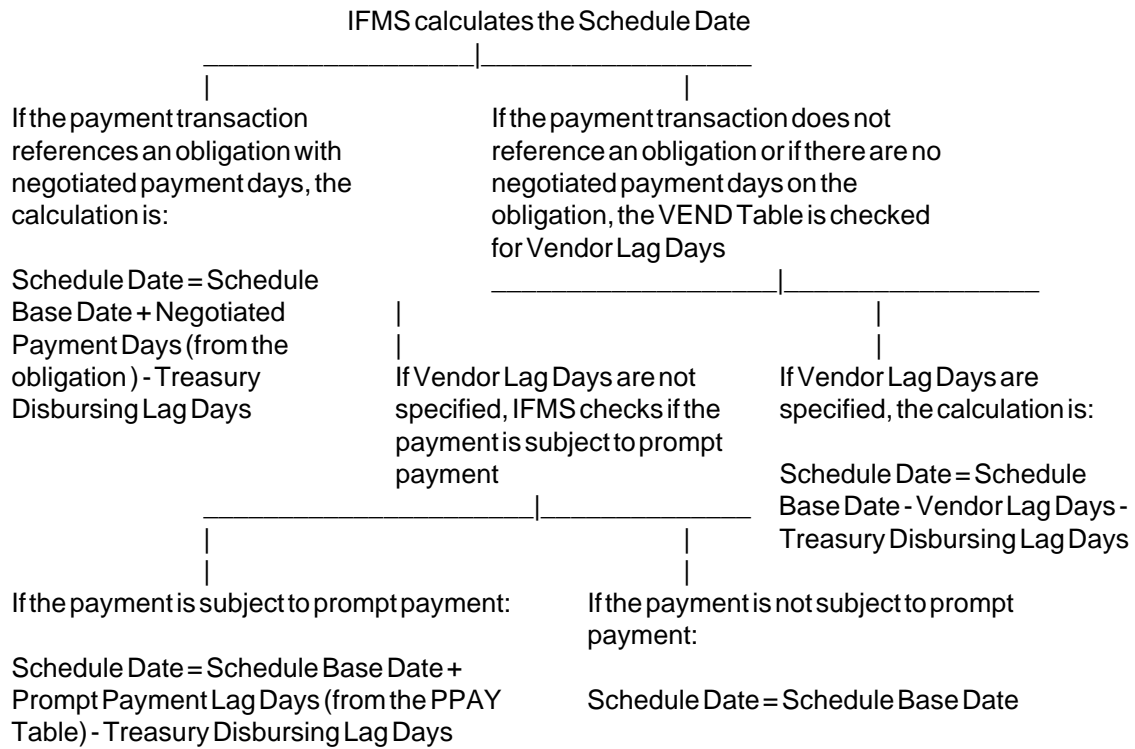
**Step 1. IFMS determines if the transaction is subject to prompt payment and sets the Schedule Base Date**



Prompt Pay Type codes can also be found on the PPAY Table.

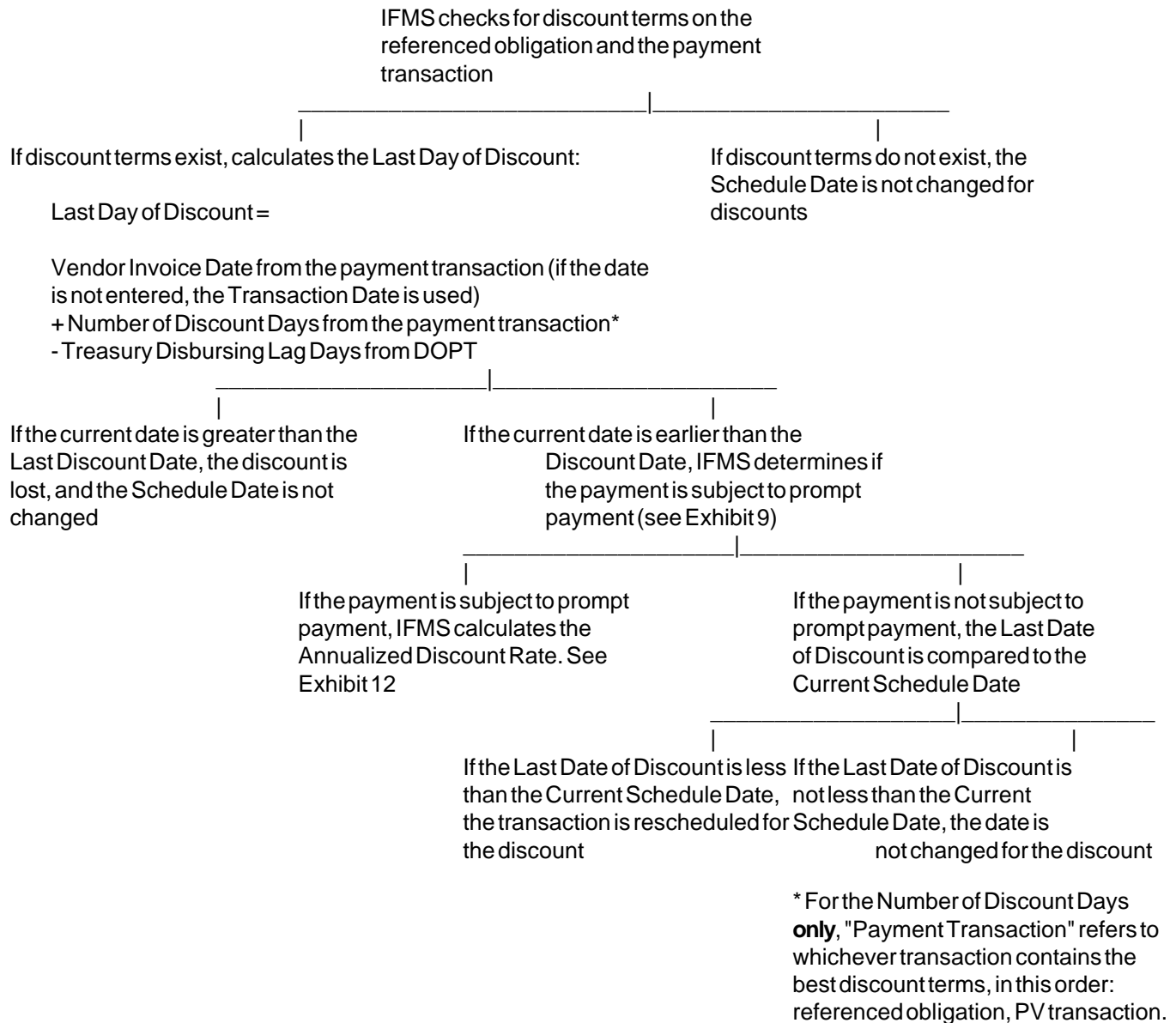
**Exhibit 9**

***Step 2. IFMS Calculates the Schedule Date using any special terms***



***Exhibit 10***

### ***Step 3. Rescheduling for discounts, if appropriate***



***Exhibit 11***

**Step 3. Rescheduling for discounts, if appropriate (continued)**

IFMS calculates the Annualized Discount Rate

Annualized

$$\text{Discount Rate for Percentage Discounts} = \left[ \left( \frac{360}{\text{Interest Accrual Date}^* - \text{Last Date of Discount}} \right) \left( \frac{\text{Discount \%}}{100} \right) \right]^*$$

Rate for = Interest Accrual Date\* - Last Date of Discount 100% - Discount %  
Percentage Discounts

Annualized

$$\text{Discount Rate for Flat Rate Discounts} = \left[ \left( \frac{360}{\text{Interest Accrual Date}^* - \text{Last Date of Discount}} \right) \left( \frac{\text{Discount Amt}}{\text{Voucher Amount} - \text{Discount Amount}} \right) \right]^*$$

Rate for = Interest Accrual Date\* - Last Date of Discount Voucher Amount - Discount Amount  
Flat Rate Discounts

Choosing from all payment lines on the transaction, the discount terms with the highest Annualized Discount Rate is compared to Treasury's current value of funds rate defined on the DOPT table

If the Annualized Discount Rate is greater than the current value of funds rate, the Last Date of Discount is compared to the Current Schedule Date

If the Annualized Discount Rate is less than the current value of funds rate, the discount is not taken, because the EPA would receive a higher rate of return on their funds by not taking the discount. In this case, the Schedule Date is not changed for discounts.

If the Last Date of Discount is less than the Current Schedule Date, the voucher is rescheduled to take the discount

If the Last Date of Discount is not less than the Current Schedule Date, the date is not changed for the discount

\* See the Voucher Selection section of the Automated Disbursements volume of the *IFMS User's Guide* for information on calculating the Interest Accrual Date

**Exhibit 12**





Once IFMS determines the Scheduled Payment Date, the scheduled transactions are posted to the Unpaid Voucher Table (UPVT). The Automated Disbursements process selects these transactions from this table when the transactions are ready for disbursement.

For more information on the disbursements process, see the Automated Disbursements Subsystem volume of the *IFMS User's Guide*.

---

### Manually Recording Treasury-Disbursed Payment Transactions

Instead of using Automated Disbursements to process payments, you may want to complete an SF-1166 by hand. This is called a **manual schedule**. Listed below are a few reasons agencies use manual schedules:

- # To immediately issue a payment and without waiting for the Automated Disbursements process to run.
- # To make a small number of payments, manual schedules are more convenient than running the Automated Disbursements process.
- # To make payments to foreign addresses.

When you issue a manual SF-1166 schedule, you must enter certain information on the payment transaction telling IFMS that the payment is being paid manually. This information enables IFMS to perform the necessary updates to inquiry tables and journals that normally occur during the Automated Disbursements process.

In addition to the data you normally enter on a payment transaction, you must enter:

- # A Disbursing Office (from the DISB Table)
- # Your agency's assigned SF-1166 schedule number (only if a DO is entered and it is not equal to the default DO)
- # A Schedule Category of **M** (Manual)
- # A Schedule Fiscal Year
- # A payment sequence number. The payment sequence number specifies the payment's position (first, third, eighth) on the SF-1166. The payment sequence number is used to determine the check number when Treasury confirms the schedule. Refer to the Automated Disbursements Subsystem volume of the *IFMS User's Guide* for more information.

Before successfully processing the transaction, IFMS checks that the payment sequence number has not been assigned to another transaction on the same manual schedule.

---

## Payment Certification

Payment certification is the process during which Certifying Officers apply approvals to payment transactions. Transactions which require approvals will display the message **Ready for Approval** after the transaction has been processed PASS1 with a Document Action of **QD**.

There are up to nine levels of approval in IFMS. The level of approval required for a transaction depends on the transaction code and the dollar amount of the payment.

Approvals may be applied to individual transactions or to groups of transactions.

---

### Payment Certification

#### - Individual Transactions

Users can approve transactions in two ways. First of all, transactions may be approved using the SUSF table. Transactions must have already been reviewed by the Certifying Officer. Approvals are applied on this screen by entering a **S** in Action, typing **APPROVE** in Function, and an **X** in SEL, next to the transaction(s) you wish to approve.

Secondly, transactions may be approved from within the transaction data entry screens. This method has the advantage of allowing the Certifying Officer to review and verify the data entered on the transaction and certify the transaction on the same screen. To approve a transaction while on the data entry screen, type an **APPROVE DOC (AD)** or **APPROVE BAT (AB)** Action field. Press enter to apply the approval. Once the approval is applied, the transaction may be processed PASS2 using an Action of **RUN DOC (WD)**.

---

### Payment Certification

#### - Grouped Transactions

When multiple payments require certification, Certifying Officers may find it easier to certify groups of payments rather than individual transactions. The payment certification grouping process allows transactions to be grouped together for review and approval. Certifying Officers can view the groups of transactions via a hard copy report, the Payments Available for Certification Report (RPAYR), and/or on the Document Group Line Table, ZDGL.

### **Grouping Payments**

To create a group of transactions for certification, an entry must be made in the ZDGT Table to assign group names and enter appropriate transaction IDs in each group. The transaction group names are determined by each SFO and can be up to 10 characters in length.

All transactions within a group must be from the same SFO. Since the ORG1 code is the same for every transaction and batch in the group, the ORG1 field does not have to be entered. However, the Transaction Code must be entered because the Transaction ID is keyed by Transaction Code, ORG1, and Transaction ID, respectively. While data entry of the Transaction Code cannot be entirely eliminated, an automatic "Fill Down" feature reduces some data entry. The system defaults a blank Transaction Code to the Transaction Code on the transaction immediately preceding it in the group. If the preceding Transaction Code is also blank, it will continue to search up the screen until a Transaction Code is found.

A transaction must be ready for approval before it can be added to a group. An error will be issued if a user tries to add a transaction that is either accepted, approved, rejected with errors, deleted, in process, or non-existent. Also, a group can consist of no more than thirty transactions. An error will be issued if a user attempts to add a thirty-first transaction.

IFMS is also capable of automatically updating ZDGT making manual entry of groups into this table unnecessary. If the IFMS System Administrator decides to utilize the automated group numbering feature, payment transactions will automatically generate and assign a Group ID to each transaction and update the new certification tables, ZDGH, ZDGL, ZDGT, ZDGI, ZDGS, at the point that approvals need to be applied (the new tables will be discussed in greater detail in Chapter 3). A Group ID will automatically be assigned to the transaction when the user processes the transaction with a QD. After payment transactions are certified by the Certifying Officers, they will remain on the Payment

Certification tables until they are processed for update or are removed from the tables due to errors.

If a transaction requires an approval, a **Ready For Approval** message will appear at the bottom of the document entry screen when the transaction is processed with a QD. At that time, IFMS will assign the transaction a Group ID, and the Group ID will automatically appear in the Group ID field on the header screen. Payments will be grouped by SFO. Remember, each Group ID will hold no more than thirty transactions.

When the Certifying Officer is ready to approve the transactions, s/he can access the Document Group ID Table (ZDGI) and change the LOCK Indicator to Y indicating that the Group ID assigned to the expenditure transactions is locked. Locking a Group ID causes the Group ID to become unavailable for assignment to another transaction entered from that point on until the group of transactions is either unlocked or certified by the Certifying Officer. Transactions entered after the Group ID is locked will cause a new, unlocked Group ID to be generated by IFMS.

With automated grouping, payment transactions will update the certification tables at the time they are processed and ready for approvals. A payment transaction will remove its entry from the certification tables if the transaction returns to a rejected mode and is not ready for approval processing. If a transaction does not require approvals, then the new tables will not be updated. The payment transactions affected by this enhancement are: Payment Voucher (PV), Travel-Related Payment Voucher (TP), Travel Order (TO, advances only), Travel Voucher (TV), Imprest Fund (IF), and the Transportation Invoice (TN).

After a group has been entered, whether the group is entered manually on ZDGT or generated automatically by IFMS, it is ready for the Certifying Officer's review either offline on a hard copy report, or on the online table, ZDGL.

### **Reviewing Groups Offline**

The Payments Available for Certification Report (RPAYR) provides line level information on all transactions included in a group. The RPAYR report can be executed as needed. The report can include all groups within a Certifying Officer's SFO, or up to ten individual groups.

The RPAYR report displays each transaction entered on the ZDGT Table for a particular group along with information pulled from the

SUSF Table for each transaction. The report contains the appropriate line information for every line in each of the transactions.

It is important that the Certifying Officer confirms that changes have not been made to any of the transactions since the creation of the report. Comparison of the date and time of the last group update on ZDGT with the date and time that the report was generated reveals whether a transaction has been altered. If the date and time of the last group update indicated on the ZDGT or on the Document Group Reference Header Table, ZDGH, is earlier than the date and time of the report, there will not be any discrepancies between the report and the online tables. However, if the date and time on the ZDGT and ZDGH tables is later than the date and time on the report, the Certifying Officer should compare the report against the ZDGL Table to identify any significant changes. After reviewing the RPAYR report, the Certifying Officer may go to the ZDGT Table in order to scan transactions or delete invalid transactions from the group, to the ZDGL Table to mark transactions for exception, or to the ZDGH Table to approve the entire group.

### **Reviewing Transactions Online**

The ZDGT Table combines multiple payment transactions into a single group. The ZDGL Table allows the Certifying Officer to review a group of transactions online at the accounting line level and determine specific payments for exception. The ZDGH Table allows the Certifying Officer to approve a group and schedule the transactions for offline processing.

The ZDGT Table displays the total number of transactions in the group and the total dollar amount of the group. The total number of transactions is equal to the number of payments in the group and the total dollar amount is equal to the sum of the amounts for each transaction in the group. These two fields combine to make up the dynamically computed Payments Totaling field.

The ZDGT Table allows MTI **Add** and **Delete** commands only; changes on the ZDGT Table are not accepted. The MTI **Delete** command allows a user who is setting up a group to remove a transaction that has been inadvertently added to a group. Should a transaction exist within a group that is not ready for approval, the ZDGT Table issues a warning. Upon receiving a warning, a user should either correct the error(s) or delete the invalid transaction(s) from the group. The ZDGT Table allows an MTI **Leaf** command between the ZDGL and ZDGH tables and a **Leaf** into a specified

transaction. To leaf into a transaction, enter an **S** in the Action field, place the cursor on the line of the desired record and hit enter. The user is automatically brought into the transaction in scan mode. After scanning the transaction, the user must enter an **F** in the transaction Action field to return to the ZDGT Table.

### **Approving Payments**

The Certifying Officer approves a group and schedules the transactions within the group for offline processing through the ZDGH Table. The ZDGH Table contains two flags, the Group Reviewed flag and the Certify Group flag. Both flags default to N and must be changed to Y in order to certify a group. A user may not change any other information on the ZDGH Table except the Group Reviewed and the Certify Group flags. The ZDGH Table will allow the MTI Change command only. Also, a user may not add or delete transactions on this table.

A Certifying Officer indicates that the RPAYR report and/or the ZDGL Table have been reviewed by changing the Group Reviewed flag to **Y**. If this flag is set to N when the Certify Group flag is set to Y, the Certifying Officer is automatically leafed to the ZDGL Table for review of this group.

The Certifying Officer approves the group of transactions and schedules them for offline processing by changing the Certify Group flag to Y. When both the Group Reviewed and the Certify Group flags are Y, the transactions are approved, scheduled and removed from the group.

As in other tables, the ZDGH Table issues a warning message when a group contains invalid transactions. Although a warning message does not prevent certification of the payment group, the invalid transactions are not approved, scheduled, or removed from the group. The date and time of the last group update are displayed on the ZDGH Table. These fields are always equal to the date and time of the most recently modified transaction in the group and may be used to verify the accuracy of the RPAYR report. For instructions on how to run the RPAYR Report, see Chapter 6 of this volume.

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## Creating a Credit Voucher

A **credit voucher** is a PV with a negative total amount. You use a credit voucher to provide a credit to a vendor for an overpayment. An example of when you would use a credit voucher is given below.

### **Example**

Suppose you enter a PV for a certain vendor for \$100. A few days later, you realize that you do not owe the vendor any payments, and that the PV you entered was incorrect. You try to cancel the PV, but the payment was already disbursed.

Instead of entering a Billing Document (BD) to establish a receivable for the overpayment, you can enter a PV with the negative amount of \$100. IFMS stores this credit (negative) voucher until the next time that the Automated Disbursements process comes across a positive PV for the same vendor.

Once a positive PV is found for the same vendor, the Automated Disbursements process applies the credit voucher to this PV, causing the total payment to the vendor to be decreased by the amount of the credit voucher, in this case, \$100.



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## Entering Data on a Credit Voucher

In addition to the data you normally enter on a PV, enter **D** in the Increase/Decrease Indicator field. This results in making the amount entered on this line negative. The total of a PV may be negative only if every line of the PV has a **D** in the Increase/Decrease Indicator field. In other words, you may not enter a PV for a negative total amount if the PV contains even one line with a blank or an **I** in the Increase/Decrease Indicator field. If no value is entered in this field, it defaults to **I**.

### ? **Note**

On the PV, negative lines (decreases) can be combined with positive lines (increases) for the same PV as long as the sum total of the transaction is positive.

To modify a credit voucher, enter a PV with a Document Action of **M** and:

- # **I** in the Increase/Decrease Indicator field if you want to decrease the amount of the credit voucher.

### **Example**

Suppose that you enter a credit voucher for \$50. The next day you discover that the credit voucher should have been for \$40. To correct the credit amount, modify the credit voucher for \$10 by entering **I** in the Increase/Decrease Indicator field.

- # **D** in the Increase/Decrease Indicator field if you want to increase the amount of the credit voucher.

### **Example**

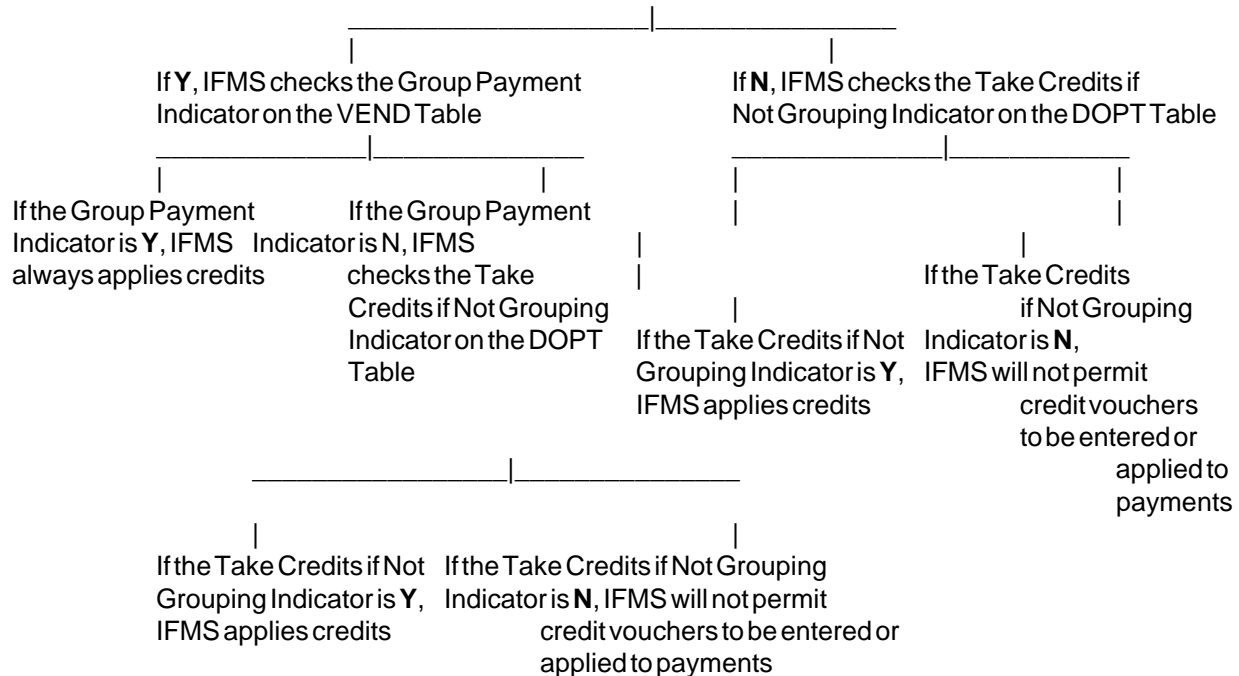
Suppose that you enter a credit voucher for \$50. The next day you discover that the credit voucher should have been for \$75. To correct the credit amount, modify the credit voucher for \$25 by entering **D** in the Increase/Decrease Indicator field.

## Determining When IFMS Applies Credits

IFMS performs a series of checks to determine when credits can be applied on a payment transaction. These checks are described in Exhibit 13.

### ***Determining when credits are applied***

IFMS checks the Group Payment Indicator on the Disbursing Options Table (DOPT) to determine if payment transactions for the same vendor are grouped onto the same check



***Exhibit 13***

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## Recording Shipping Charges and Taxes

Occasionally, a vendor invoice may contain shipping charges or taxes that were not accounted for when you entered the obligation into IFMS. To record these charges, enter on the PV the referenced obligation's transaction code and number, but replace the reference line number with the letters **MMM**. The letters **MMM** tell IFMS to associate this payment line with the referenced obligation; however, the obligation will not be liquidated for the amount on this payment line. In addition, IFMS will not check tolerance limits for the **MMM** line.

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## Establishing Recurring Payment Vouchers

By entering information into the Recurring Payment Voucher Table (REPV), you can automatically create PVs on a regular, recurring basis. Examples of when you would want to use recurring payments include any payments that you make regularly on a certain date, such as rent payments or utility payments.

You can generate recurring PVs for any of the following intervals:

- # Monthly
- # Every other month (bi-monthly)
- # Quarterly
- # Annually
- # At one time in the future

To set up a recurring PV, enter the following information **once** on the REPV Table:

- # Enter all PV information.
- # Enter the start date and the end date of the time frame that you want the PV to be generated.
- # Enter the frequency with which you want IFMS to create the PV (e.g., monthly, quarterly).
- # Enter the amount of the PV line.

If you do not know the amount, leave the amount field blank. IFMS will substitute the literal **\*\*FILL-IN\*\*** in the amount field to remind you that you still have to enter an amount. When you determine what the amount is, you can enter the amount before the PV is created or wait until IFMS adds the PV to the Document Suspense File (SUSF) and change it there.

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### How IFMS Selects Recurring Payment Vouchers

IFMS selects recurring PVs from the REPV when the following events occur:

- # The offline Recurring Payment Voucher process date is equal to or between the transaction's start and end dates.
- # The latest date on the table is blank or great enough to meet the frequency with which you want to create the PV.

**Example**

Suppose the start date is January 1, 1998, and the end date is December 31, 1998, and you want IFMS to generate the transaction on a monthly basis.

If the offline process is first run on January 1, 1998, IFMS creates the recurring PV for the first time, and sets the latest date to January 1, 1998.

IFMS will not select the PV again until the offline process date is greater than or equal to February 1, 1998 (the next accounting month).

IFMS will delete the PV entry when the end date is less than or equal to the offline process date, or if the frequency is for one time only. In this case, IFMS would delete the PV entry on December 31, 1998.

See the *IFMS Operations Guide* for more information on how IFMS creates recurring PVs.

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**How IFMS Creates the  
Recurring Payment  
Voucher Transaction  
ID**

When IFMS creates a recurring PV from the REPV Table, it assigns a transaction ID to the PV. This ID consists of:

- # The transaction code from REPV
- # The accounting point from REPV
- # The PV number from REPV followed by the current month from the transaction's DATE Table entry. Any blanks are replaced by zeros.

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## Recording Funds Used from the Imprest Fund

An imprest fund is a petty cash fund. In IFMS, imprest fund transactions are recorded on the IF transaction. This volume describes how to enter IFs for expenditures and travel advances.

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## Recording Expenditures

You can use the IF to record direct expenditures and expenditures that liquidate prior accounting events (transactions).

- **Direct Expenditures**

Examples of direct expenditures are using imprest funds to purchase a small amount of office supplies or to reimburse an employee for taxi cab fares. When recording direct expenditures on the IF transaction, enter the accounting data for the expenses. Because direct expenditures do not always reference prior transactions, they directly update the Budget Execution inquiry tables, and are recorded in the general journal and ledgers.

- **Expenditures that Liquidate Prior Accounting Events**

IFs can also liquidate commitments and obligations. In this case, you must reference the prior RQ or MO on the IF transaction.

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## Recording Travel Advances

At times, you may need to record a travel advance using the IF instead of a Travel Order (TO).

### **Example**

Suppose you were scheduled to take a trip on very short notice. A TO is entered into IFMS for a travel advance of \$100. Rather than waiting for a check, you present the printed travel order to the imprest fund cashier. The cashier then gives you the \$100 in cash.

The cashier must account for the \$100 given to you for the advance, so the cashier enters an IF for \$100 that references the TO.

See the Travel Subsystem volume of the *IFMS User's Guide* for information on recording travel advances through the IF.

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## Offline Procedures

All Accounts Payable table updates occur online with the exception of the General Ledger tables. The General Ledger Balances with Accounting Distribution and Vendor Details Table (GLDB), General Ledger Balance Inquiry Table (GLBL), and Monthly Summary General Ledger Balance Table (MSGSL) are updated during the nightly cycle for all transactions processed since the last nightly cycle.

Once you enter an expenditure, IFMS calculates when the payment should be made to the vendor taking into account any special contractual terms you have with the vendor concerning payment. Then the payment is stored on the Unpaid Voucher Table (UPVT) until the scheduled payment date arrives. When the Scheduled Payment Date arrives, the Automated Disbursements Subsystem selects the payment from UPVT for inclusion in the Treasury Schedule.

For more information on how to specify types of Treasury disbursements, see the Automated Disbursements Subsystem in the *IFMS User's Guide*.



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## Summary

Payments for goods and services that provide for the outlay of cash are called expenditures. Expenditures are represented to IFMS as Accounts Payable transactions. These transactions can record payments to vendors, the disbursement of imprest funds, and payments from one agency to another. Accounts Payable transactions should only be entered after the Voucher Examiner review process. The EPA usually records Accounts Payable transactions using a bar code numbering system.

IFMS performs a series of checks before processing an Accounts Payable transaction. These checks include ensuring that the transaction's accounting codes are valid, funds are available, tolerance limits are enforced, vendor codes are correct, and that prompt payment information is entered, if necessary.

Using Accounts Payable transactions, you can create credit vouchers, record shipping charges and taxes, establish recurring payments, and record different types of imprest fund transactions.

The EPA makes payments by sending SF-1166 information to Treasury. The Automated Disbursements process automatically creates the SF-1166s using information entered on the payment. Manual disbursement information can also be specified on the payment.

Payment processed through Automated Disbursements need to be scheduled for payment. In scheduling the payment, IFMS takes into account the prompt payment terms, negotiated payment terms, vendor lag days, discount terms, and the entered schedule date.

IFMS stores scheduled payments in the system until the time of the scheduled payment date. When the scheduled payment date arrives, the Automated Disbursements Subsystem selects the payment for disbursement. For more information on the Automated Disbursements process, refer to the Automated Disbursements Subsystem volume of the *IFMS User's Guide*.